

# **AEROSPACE BUSINESS DEVELOPMENT MISSION TO SOUTH AFRICA**

**OCTOBER 14-18, 2002**

## **MISSION STATEMENT**

### **I. DESCRIPTION OF THE MISSION**

The Office of Aerospace, in the Department of Commerce's International Trade Administration (ITA/TD/TM), will lead an aerospace business development mission to South Africa from October 14 through October 18, 2002. The focus of the mission will be to assist U.S. businesses in exploring trade and investment opportunities related to South African regional airport modernization programs and aircraft maintenance operations. The delegation will include approximately 15 senior executives of U.S. aerospace companies. These companies will include the following key growth sectors: air traffic control, fire fighting and search and rescue, aviation fuel supply, freight handling, maintenance, ground support, infrastructure and support services, security, finance, and insurance.

### **II. COMMERCIAL SETTING FOR THE MISSION**

South Africa has a GDP of USD 126 billion with significant growth potential. Besides enjoying easy access to other markets in Africa, it has sophisticated financial institutions and capital markets, a good communication infrastructure, lower labor costs than western industrialized countries, inexpensive electrical power and certain advanced high-tech industries.

During the period of 2000-2005, capital expenditure by the Airports Company of South Africa (ACSA), a state-owned corporation and the largest airport operator in South Africa, is projected to total USD 234 million. In addition, the South African Government has earmarked funds for airport aviation-related security. Prospects for airport modernizations come mainly from ACSA. Several commercially run regional airports, some of which have international status, are sources for airport projects. Many local airport developers are also looking to fund the upgrading of existing small airports, and turning them into more competitive international facilities.

South Africa's strategy for aerospace industry growth is to establish international partnerships with overseas aircraft manufacturers in the component sub-system repair and maintenance area. The country is increasingly becoming important as a regional hub for maintenance repair organizations (MROs) serving operators flying in sub-Saharan Africa. The Government of South Africa is therefore encouraging its companies to take on international partners.

South Africa is ideally positioned for easy access to the 13 other countries that constitute the Southern African Development Council (SADC), the predominant regional organization on the continent. The SADC members are Angola, Botswana, Democratic Republic of Congo (DRC), Lesotho, Malawi, Mauritius, Mozambique, Namibia, Seychelles, South Africa, Swaziland, Tanzania, Zambia, and Zimbabwe. Over the past five years, the liberalization of SADC economies has allowed for the participation of private companies in activities traditionally pursued by the state. The results of this liberalization are evidenced by the trade opportunities now available to foreign businesses in South Africa's aerospace sector. The country's advantage as a springboard to the

region lies not only with its obvious geographic proximity, but also with its extensive dealings with other African countries, and subsequent insight and understanding of many of the complex issues involved in trading with these countries. Local companies in South Africa are adept at both adapting overseas goods for the African market and in marketing these goods throughout the region.

### **III. GOALS FOR THE MISSION**

The mission aims to further both U.S. commercial policy objectives and advance specific business interests. The mission will:

- Assist export ready, new-to-market U.S. aerospace companies to pursue export and other business opportunities in South Africa by introducing them to potential business partners;
- Enhance U.S.-South Africa government-industry dialogue.

### **IV. SCENARIO FOR THE MISSION**

The Aerospace Business Development Mission will provide participants with exposure to business contacts in the South African market. American Embassy officials and local businesses will provide the delegates with a briefing on the economic, commercial and political climates, and current business opportunities. Participants will visit six regional, commercially run largely general aviation airports with growth potential in the Gauteng and Kwa-Zulu Natal provinces. In addition, private meetings will be scheduled with ACSA decision makers and potential business partners. Representational events will also be organized to provide mission participants with opportunities to meet South Africa's aviation multipliers as well as U.S. business people living and working in South Africa.

The precise schedule of these events will depend on the availability of local government and business officials and the specific goals of the mission participants.

### **V. MISSION TIMETABLE**

The mission is scheduled to arrive in Johannesburg no later than Sunday, October 13, 2002. Official events (i.e. briefings, visits, meetings) will begin in Johannesburg and continue in venues within the Gauteng Province until Thursday, October 17, 2002, when the delegation will travel by air to Durban for official events there. The mission will officially conclude the evening of Friday, October 18, 2002. Participants interested in arriving earlier or extending their stay may do so at their own convenience. Recruitment for this mission will begin immediately and will conclude no later than September 9, 2002. Applications received after that deadline will be considered only if space and scheduling constraints permit.

## **VI. CRITERIA FOR PARTICIPANT SELECTION**

The recruitment and selection of private sector participants for this mission will be conducted according to the Statement of Policy Governing Department of Commerce Overseas Trade Missions established in March 1997. Promotion and recruitment will include, but not be limited to, posting on appropriate departmental home pages, and notification in the Federal Register. Distribution of the trade mission statement and further information to national and other trade associations and trade publications will also be made as appropriate. Approximately 15 companies will be selected for the mission according to the criteria set out below.

### **Selection Criteria**

Companies will be selected for participation in the mission on the basis of:

- Consistency of company's goals with the scope and desired outcome of the mission as described herein;
- Relevance of a company's business and product line to the identified growth sectors;
- Past, present, or prospective international business activity.
- Provision of adequate information on company's products and/or services, and company's primary market objectives, in order to facilitate appropriate matching with potential business partners.
- Timeliness of the signed application and participation agreement by company, including payment of the estimated \$1,550 participation fee. This fee includes four lunches and does not include lodging or airfare.

An applicant's partisan political activities (including political contributions) are irrelevant to the selection process.

### **Eligibility**

Participating companies must be incorporated in the United States. A company is eligible to participate only if the products and/or services that it will promote (a) are manufactured or produced in the United States; or (b) if manufactured or produced outside the United States, are marketed under the name of a U.S. firm and have U.S. content representing at least 51 percent of value of finished good or service.

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